



The Secretary of Energy
Washington, DC 20585

March 13, 2002

Mr. William A. Wise
Chairman
National Petroleum Council
1625 K Street, NW
Washington, DC 20006

Dear Chairman Wise:

In the last decade, the National Petroleum Council conducted two landmark studies on natural gas, the 1992 study *Potential of Natural Gas in the United States* and the 1999 study *Meeting the Challenges of the Nation's Growing Natural Gas Demand*. These studies provided valuable insights on the potential contribution of natural gas to the Nation's economic, energy and environmental future, and the capabilities of industry to meet future natural gas demand and changing market conditions.

Considerable change has occurred in natural gas markets since the Council's 1999 study, among these being new concerns over national security, a changed near-term outlook for the economy, and turbulence in energy markets based on perceived risk, price volatility, fuel switching capabilities, and the availability of other fuels. The Nation's reliance on natural gas continues to grow, with U.S. consumption projected to increase by 50 percent in the next 20 years. However, the availability of investment capital and infrastructure, the pace of technology progress, access to the Nation's resource base, and new sources of supplies from Alaska, Canada, liquefied natural gas imports, and unconventional resources such as methane hydrates are factors that could affect the future availability of natural gas supplies.

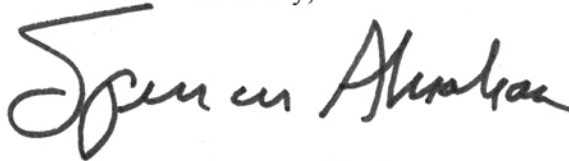
Accordingly, I request that the Council conduct a new study on natural gas in the United States in the 21st Century. Such a study should examine the potential implications of new supplies, new technologies, new perceptions of risk, and other evolving market conditions that may affect the potential for natural gas demand, supplies, and delivery through 2025. It should also provide insights on energy market dynamics, including price volatility and future fuel choice, and an outlook on the longer-term sustainability of natural gas supplies. Of particular interest is the Council's advice on actions that can be taken by industry and Government to increase the productivity and efficiency of North American natural gas markets and to ensure adequate and reliable supplies of energy for consumers.



Printed on recycled paper

I am designating Mr. Robert G. Card, Under Secretary for Energy, Environment and Science, and Mr. Carl Michael Smith, Assistant Secretary for Fossil Energy, to represent me in the conduct of this important study. I offer my gratitude to the Council for its efforts to assist the Department in defining the scope of the study request and I recognize that refinements may be necessary after the study starts to ensure that the most critical issues affecting future natural gas demand, supplies, and delivery are addressed.

Sincerely,

A handwritten signature in dark ink, appearing to read "Stephen Abraham". The signature is fluid and cursive, with a large initial "S" and a long, sweeping underline.

Secretary Abraham